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The time period for reply, if any, is set in the attached communication.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte GEOFFREY B. RHOADS

Appeal 2010-004619
Application 09/574,726
Technology Center 3600

Before MURRIEL E. CRAWFORD, JOSEPH A. FISCHETTI, and BIBHU R. MOHANTY, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant seeks our review under 35 U.S.C. § 134 of the Examiner's final decision rejecting claims 1 to 14, 26 to 29, and 91 to 94. We have jurisdiction over the appeal under 35 U.S.C. § 6(b). Appellant appeared before us for oral hearing on June 7, 2011.

BACKGROUND

Appellant's invention is directed to a method of digital watermarking in conjunction with audio, video, imagery, and other media content (Specification 1).

Claim 1 is illustrative:

1. A method of distributing digital source material comprising:

passing encoded source material to a destination through at least one intervening steganographic decoder process, the encoded source material comprising plural-bit auxiliary data steganographically embedded in the digital source material, the digital source material including visual or audio signals that are perceptible when output from a device, and the visual or audio signals including imperceptible modifications to perceptible parts of the visual or audio signals to embed the plural-bit auxiliary data in the perceptible parts in a manner that is imperceptible to a user, the imperceptible modifications adaptively changing values of the perceptible parts of the visual or audio signals by a varying amount that depends on the values of the perceptible parts;

within said intervening steganographic decoder process, detecting encoded source material transmitted thereby; and

crediting a payment in response to said detection of the encoded source material, in accordance with the plural-bit auxiliary data steganographically conveyed by the encoded source material.

The Examiner relies on the following prior art references as evidence of unpatentability:

Hamilton	US 5,249,166	Sep. 28, 1993

Daniele	US 5,444,779	Aug. 22, 1995
Moses	US 5,473,631	Dec. 5, 1995
Van Wie	US 6,240,185 B1	May 29, 2001

Appellant appeals the following rejections:

1. Claims 1, 8, and 11 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.
2. Claims 1, 8, and 11 under 35 U.S.C. § 112, second paragraph, as being indefinite.
3. Claims 1 to 4, 6 to 9, 11 to 14, and 91 to 94 under 35 U.S.C. § 103(a) as unpatentable over Van Wie.
4. Claim 5 under 35 U.S.C. § 103(a) as unpatentable over Van Wie in view of Moses.
5. Claim 10 under 35 U.S.C. § 103(a) as unpatentable over Van Wie in view of Hamilton.
6. Claims 26 to 29 under 35 U.S.C. § 102(e) as anticipated by Daniele.
7. Claims 27 and 29 under 35 U.S.C. § 103(a) as unpatentable over Daniele in view of Hamilton.

ISSUES

Did the Examiner err in rejecting claims 1, 8, and 11 under 35 U.S.C. § 112, first and second paragraphs, because the Examiner did not consider the disclosure of U.S. Patent No. 5,862,260 [hereinafter '260 patent]?

Did the Examiner err in rejecting claims 1 to 14 and 91 to 94 under 35 U.S.C. § 103(a) because Van Wie is not prior art?

Did the Examiner err in rejecting claims 26 to 29 under 35 U.S.C. § 102(e) and claims 27 and 29 under 35 U.S.C. § 103(a) because Daniele

provides no relevant teachings regarding altering music signals to insert bits of data therein?

FACTUAL FINDINGS

Appellant's Specification states that the present assignee's work regarding digital watermarking is reflected in the '260 patent (Specification 1).

Page 8, lines 8 to 14, of Appellant's Specification discloses that in Appellant's method, encoding can be perceptually adaptive so that higher energy encoding is employed where the listener is less likely to perceive the additional noise introduced by encoding.

Appellant argues that the '260 patent has been incorporated by reference on page 40 of Appellant's Specification.

The Examiner has not argued that the '260 patent in not incorporated by reference. On page 15 of the Answer, the Examiner considers the Specification of the '260 patent in responding to the Appellant's arguments in response to the rejection under the second paragraph of 35 U.S.C. § 112.

The '260 patent discloses that the perceptible part of the visual image or the distributable image is changed by varying amounts depending on the value of the perceptible part (col. 4, ll. 28 to 30; col. 4, l. 66 to col. 5, l. 14; col. 8, ll. 11 to 21). Specifically, the '260 patent discloses that the distributed image is dependent on the digital number of the original image and the composite image.

Daniele discloses a method of utilizing printable glyph or similar two-dimensionally encoded marks to identify copyrighted documents (Abstract).

The glyth codes are placed on a page of poetry, plays or music (col. 7, ll. 33 to 44). Daniele does not disclose a method of altering a music signal.

ANALYSIS

Written description

The Examiner found that Appellant's Specification as originally filed contains no support for "the imperceptible modification adaptively changing values of the perceptible parts of the visual or audio signals by a varying amount that depends on the values of the perceptible parts" as is recited in claim 1 (Answer 3). We agree with Appellant that this subject matter is contained in the disclosure of the '260 patent as detailed above. Appellant asserts that the '260 patent was incorporated by reference at page 40 of the Specification. The Examiner has not challenged this assertion. As such, we will not sustain this rejection of the Examiner.

Indefiniteness

The Examiner found that it is unclear to one of ordinary skill in the art what is meant by: "the imperceptible modification adaptively changing values of the perceptible parts of the visual or audio signals by a varying amount that depends on the values of the perceptible parts", which is recited in claim 1 (Answer 4). We agree with Appellant that this subject matter is clearly explained in the '260 patent as detailed above. As such, we will not sustain this rejection of the Examiner.

Prior art rejections based on the Van Wie reference

Appellant has not addressed the substance of the rejections based on the teachings of the Van Wie reference. Rather, Appellant argues that Van Wie has a priority filing date of August 1996, whereas the claims have priority support at least as early as May 1996 as a result of the priority to the '260 patent. Appellant argues that priority was accorded or should have been accorded in 2005. Appellant concludes that Van Wie is not prior art.

The Examiner argues that no priority was accorded and that no priority will be accorded because in the Examiner's view, the instant application was not copending with the application that matured into the '260 patent.

We have not found nor we have not been directed to any indication in the record that the requested priority filing date has been accorded. As such, on the record before us, the instant application has not been accorded the filing date of the '260 patent. Therefore, Van Wie is prior art.[1]

As Appellant has not advanced any arguments in regard to substance of the rejections based on the Van Wie reference, we will sustain these rejections.

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[1] Should Appellant desire to challenge the Examiner's failure to accord priority in this application, such challenge must take place during any further prosecution of this application before the Examiner. If the Appellant is dissatisfied with any future holding of the Examiner on the issue of priority, Appellant can challenge the holding in a petition to the Director pursuant to 37 CFR § 1.181.

Prior art rejections based on the Daniele reference

We will not sustain the Examiner's rejections of the claims based on the Daniele reference because we agree with the Appellant that the Daniele disclosure is directed to glyphs and other two dimensional encoded marks which encode a document, but does not disclose a method of altering music signals. While these documents can take the form of a page of music, Daniele does not disclose altering a music signal by inserting the glyphs.

DECISION

We do not affirm the Examiner's 112 rejections of claims 1, 8, and 11.

We affirm the Examiner's prior art rejections of claims 1 to 14 and 91 to 94 based on the Van Wie reference.

We do not affirm the Examiner's prior art rejections of claims 26 to 29 based on the Daniele reference.

TIME PERIOD

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1) (2009).

ORDER

AFFIRMED-IN-PART

babc